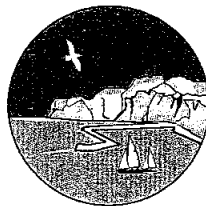


SOUTH COAST



WATER DISTRICT

Providing Quality Water and Wastewater Services to the Coastal Communities

February 26, 2003

Mr. John H. Robertus
Executive Officer
California Regional Water Quality Control Board
San Diego Region
9174 Sky Park Court, Suite 100
San Diego, CA 92123

Re: Offer of Settlement
File No. 01-0784.02
Complaint No. R9-2002-280

SAN DIEGO REGIONAL
WATER QUALITY
CONTROL BOARD
2003 FEB 26 P 4:35

Dear Mr. Robertus,

The South Coast Water District ("District") has received and reviewed your letter dated February 14, 2003, which sets forth requirements regarding submission of proposed Supplemental Environmental Projects ("SEP") as part of the proposed settlement of the above referenced Administrative Civil Liability Complaint ("ACL.") The District values the time that Rebecca Stewart of your staff provided to us in order to clarify your requirements and to ensure that we meet the needs of the Regional Board in this matter.

As noted in our letter to you of January 29, 2003 (attached), we appreciate your determination that the District is in compliance with reporting requirements. We know that the Regional Board's further consideration of the proposed settlement is made possible by the determination that the District is in compliance with Order 96-04.

The focus of this correspondence is to provide the Regional Board with a comprehensive package of five proposed SEP applications and supporting documentation for the Regional Board to consider funding -- in whole or in part -- from \$45,000 of the proposed \$105,000 settlement. Please note that the enclosed SEP requests exceed the \$45,000 proposed by the District for such projects, and the District will agree to the direction provided by the Regional Board as to the appropriate apportionment of the \$45,000 amount to the SEPs. The District requests that its compliance with the Regional Board order (adopted to resolve the ACL) should be determined based on a direct payment to the selected SEPs.

The five proposed SEPs demonstrate a geographic nexus with the area in which our reporting violations occurred. The proposed SEPS are designed to benefit or study surface water quality in areas that include the coastal zone adjacent to the District's 8.3 square mile service area. The District's sewer facilities also have the ability to impact portions of the Aliso Creek, Salt Creek and San Juan Creek watershed areas. The SEPs, as proposed, will help protect the beneficial uses of the surface waters located in and around our service area, thus contributing to mitigation of the direct or indirect effects resulting from the District's non-compliance with Order 96-04. The Regional Board will realize added value from the proposed SEPs because the collection of periodic data will be reported to the Regional Board, and will aid in the development of effective, standardized methodologies useful in region-wide applications.

As proposed, the SEPs exceed the obligations of the District, as to its required operational and voluntary public education functions, thereby meeting the State Enforcement Guide criteria for use of SEPs to resolve ACL matters.

Listed below are the proposed SEPs arrayed in the order in which they appear in this package (Tabs 1 – 5). The summary list outlines the SEP project name, sponsor name, and main project categories and criteria it supports, including support of the Regional Board mission: *To preserve and enhance the quality of California water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations.*

- **Tab 1 - Microbial Source Tracking (MST) to Identify Sources of Fecal Indicator Bacteria/ Southern California Coastal Water Research Project**
 - Monitoring water quality in ambient waters
 - Geographic nexus: Aliso Creek, Salt Creek and San Juan Creek
 - Scientific research in support of the mission of the Regional Board
 - Added value to the Regional Board through development of standardized tracking tool to identify bacterial sources in watersheds region-wide
- **Tab 2 – Community Kelp Restoration Project/Orange County Coastkeeper**
 - Restoration of vegetation
 - Geographic nexus: Coastal subtidal Laguna Beach and Aliso Creek in South Laguna (beyond mouth of creek)
 - Community outreach & education in support of the mission of the Regional Board
 - Monitoring to track the long-term success of the project
 - Added value to the Regional Board through access to new information on the effectiveness of kelp restoration methodology

- **Tab 3 – South Orange County Watersheds Citizen Monitoring Project/Orange County Coastkeeper**
 - Monitoring water quality in ambient waters
 - Geographic nexus: San Juan Creek and Salt Creek in Dana Point
 - Promoting future abatement of non-point source pollution through development of baseline data for San Juan and Salt Creeks
 - Community outreach & education in support of the mission of the Regional Board
 - Added value through quarterly reporting to the Regional Board of data
- **Tab 4 – Water Quality Testing Lab at Shorecliffs Middle School, Surfrider Foundation – San Clemente Chapter**
 - Monitoring water quality in ambient waters
 - Geographic nexus: Watershed area between San Juan Creek and San Mateo Creek
 - Public education in support of the mission of the Regional Board
 - Added informational value through periodic results reporting on Surfrider website
 - Serving to promote abatement of NPS pollution through community awareness of results reported
- **Tab 5 – Water Quality Testing Program at Laguna Beach High School, Surfrider Foundation – Laguna Beach Chapter**
 - Monitoring water quality in ambient waters
 - Geographic nexus: Various beaches within Laguna Beach, which includes the Aliso Creek watershed in South Laguna
 - Public education and activities in support of the mission of the Regional Board
 - Added informational value through periodic results reporting on Surfrider website
 - Serving to promote abatement of NPS pollution through community awareness of results reported


Please note that tab 6 of the submission is the summary and outline of the SSO Prevention Planning Conference for Region 9, as you requested.

The Regional Board's consideration of the District's settlement proposal is fully consistent with the authority of the Regional Board as set forth in the State Water Quality

Mr. John Robertus
February 26, 2003
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Enforcement Policy, and the District respectfully requests that the Regional Board accept the settlement (and direct that it be memorialized in an amended order).

Sincerely,

A handwritten signature in cursive script, appearing to read "B. Burnett".

Betty C. Burnett
Director of Administration/District Counsel
South Coast Water District

Cc: President and Board of Directors
Michael P. Dunbar, General Manager